

**UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF OHIO  
EASTERN DIVISION**

<b>In re:</b>	)	
	)	<b>Case No. 17-50236 (AMK)</b>
	)	
<b>Louis Anthony Telerico</b>	)	<b>Chapter 11</b>
	)	
<b>Debtor</b>	)	<b>Judge Alan M. Koschik</b>

**Response of the United States Trustee to Amended Motion of Louis A. Telerico,  
Debtor and Debtor in Possession to Sell a Parcel of Real Estate Free and  
Clear of All Lines, Claims and Encumbrances**

Daniel M. McDermott, United States Trustee for Region 9, by and through his undersigned counsel, files this response to the *Amended Motion of Louis A. Telerico, Debtor and Debtor in Possession to Sell a Parcel of Real Estate Free and Clear of All Lines, Claims and Encumbrances* (“Amended Motion”) and states as follows:

***Jurisdiction***

1. Daniel M. McDermott is the United States Trustee for Region 9. Pursuant to 28 U.S.C. § 586, the United States Trustee is statutorily obligated to monitor the administration of cases commenced pursuant to the Bankruptcy Code, 11 U.S.C. § 101 et seq. Pursuant to 11 U.S.C. § 307, the United States Trustee has standing to be heard.

2. The Court has jurisdiction to hear and decide the issues raised by the United States Trustee under 28 U.S.C. § 1334. These matters constitute core proceedings as defined under 28 U.S.C. §157(b)

***Statement of Facts***

3. On February 5, 2017, Louis Anthony Telerico (“Debtor”) filed a voluntary petition

for relief under chapter 11 of the Bankruptcy Code. The first meeting of creditors pursuant to 11 U.S.C. § 341 was held on March 15, 2017.

4 Debtor owns real property located at 545 Bristol Dr., Aurora, Ohio (“Bristol Dr. Property”). Debtor testified at the first meeting of creditors the Bristol Dr. Property is a 35,000 square-foot, four story house. On *Schedule A/B: Property*, the Debtor values the home at \$10,966,000. (Doc. No. 15, pg. 3) The Bristol Dr. Property is listed for sale with Berkshire Hathaway HomeServices for \$14,250,000 and has been on the market since April or May 2017.

5. Debtor also owns two vacant lots which are on either side of the Bristol Dr. Property. The lots are identified on *Schedule A/B: Property* as (1) Lot 130 R Glengarry with a value of \$675,000 and (2) Lot 132 Bristol Dr. with a value of \$275,000. (Doc. No. 15, at 4)

6. On September 5, 2018, Debtor filed *Motion of Louis A. Telerico, Debtor and Debtor in Possession to Sell a Parcel of Real Estate Free and Clear of All Lines, Claims and Encumbrances* (“Motion”) requesting authority to sell the lot identified as Glengarry 130-A for \$75,000 to David Novotny. The Motion states David Novotny has no connection to the Debtor or the estate and seeks to purchase the property in good faith.

7. On September 13, 2018, after communication from the United States Trustee, Debtor filed the Amended Motion requesting authority to sell the lot identified as Glengarry 130-A for \$75,000 to David Novotny and disclosed that Mr. Novotny has no connection to the Debtor, “but is the son of Debtor’s wife Sharon Stephula”.

### ***Response***

8. The United States Trustee does not have sufficient information to take a position on whether this purchase price is a fair offer for the property or if the property was adequately marketed. However, the United States Trustee is questioning whether the Debtor is being

forthright with parties by failing to disclose that Mr. Novotny is his stepson and failing to disclose that Mr. Novotny is receiving funds from corporate entities owned or previously owned by the Debtor.

9. Mr. Telerico was the principal in the chapter 11 cases of Four Wells Limited; Circle T Farm, Inc.; and TX Four Holdings, LLC. (collectively “Four Wells Entities”) These cases were jointly administered at *Case No 16-50851(AMK)* and were closed in July, 2017

10. Mr. Telerico is also the principal of Capital L Corp currently pending before this Honorable Court. *See Case No. 16-50850 (AMK)*.

11. In the Four Wells cases, Debtors filed a motion to retain Stephula and Novotny, LLC in the ordinary course of business to manage the real property of the Four Wells Entities. *See Case No. 16-50851, Doc. No. 80*. The motion states that the owners of Stephula and Novotny LLC are Sharon Stephula and David Novotny, the wife and stepson of Louis Telerico, the 100% shareholder of the Four Wells Entities.

12. On September 18, 2018, Capital L Corp. filed its monthly operating report for the month of July 2018 covering the period July 1, 2018 through July 31, 2018. A review of the checks issued in July by Capital L Corp. show a check for \$10,200 was issued to Stephula and Novotny and a check for \$2,800 was issued to David Novotny. The United States Trustee is unsure what these payments are for and has requested additional information from counsel.

13. At this time, without more information, the United States Trustee is not suggesting the payments are inappropriate; however, the United States Trustee does question the Debtor’s failure to fully disclose his connections to Mr. Novotny. Further, the failure of the Debtor to disclose his connections to Mr. Novotny raises questions whether this sale has been proposed in good faith.

WHEREFORE, the United States Trustee respectfully submits this Response to the Court for its consideration and for such other relief as this Court deems appropriate.

Respectfully submitted,

Daniel M. McDermott  
United States Trustee, Region 9

by: /s/ Maria D. Giannirakis  
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### Certificate of Service

I certify that on September 25, 2018, a true and correct copy Response of the United States Trustee to Amended Motion to Sell Real Estate was served:

Via the Court's Electronic Case Filing System on these entities and individuals who are listed on the Court's Electronic Mail Notice List:

- Todd A. Atkinson     tatkinson@ulmer.com
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And by regular U.S. Mail, postage prepaid to:

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